Repeat Episodes of Unemployment

November 2006

Employment Security Department
WASHINGTON STATE

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Why we did this study

Over the course of the last two legislative sessions, the state Legislature directed the department to conduct a series of six studies to learn more about the unemployment insurance system and to determine the effects of recent law changes

This study was specifically mandated by Engrossed Substitute Senate Bill 6885.

The goal is to analyze the characteristics of repeat episodes of unemployment and determine the effect of those episodes on employers and on the unemployment-insurance system.

The complete report is available online at www.studies.go2ui.com.

For more information, contact the Office of Communication & Legislation at 360-902-9308.

What we found

When a person collects unemployment benefits over multiple years, his or her employment pattern is characterized as involving *repeat episodes of unemployment*. This study examines people who have repeat episodes and their employers.

Magnitude: The department looked at all paid claims that started from January 2002 through June 2006 – totaling about 736,850 beneficiaries and 144,000 employers. People with three or more claims accounted for 11 percent of all beneficiaries and worked for almost 21 percent of employers.

The department also examined how many people have repeat episodes of unemployment from other perspectives, detailed in the study report.

Length of claims: People with three or more claims collected an average of 53-56 percent of the total benefits available to them – 13 to 16.5 weeks of benefits – and about 3 percent exhausted benefits in every year that they filed. On average, both the amount of benefits used and the number of weeks collected are lower for this group than they are for people who filed only one claim.

Beneficiaries: Seventy percent of the people with repeat episodes worked in: construction and extraction; farming, fishing and forestry; transportation and material-moving; and production occupations.

People with repeat episodes of unemployment were disproportionately:

- Male (74 percent vs. 60 percent of people with one or two claims).
- Between the ages of 35 and 54 (58 percent vs. 49 percent of people with one or two claims).
- Less educated (25 percent had no high school diploma or GED vs. 11 percent of people with one or two claims).
- Hispanic (23 percent vs. 8 percent of people with one or two claims).

Employers: Employers in five industries employed almost half of those with at least three claims, but only 15 percent of those with one or two claims: specialty trade contractors; food manufacturing; crop production; heavy and civil engineering construction; and construction of buildings.

Mitigating factors: Roughly 19,000 employers placed their workers on standby during the study period. Standby is reserved for temporary layoffs (not more than eight weeks each year) and allows the employer to maintain its work force. Almost 28 percent of people with three claims and 38 percent of those with five claims were on standby at least once.

Very few people with repeat episodes participated in Shared Work (allows employers to maintain their work force through economic downturns) or commissioner-approved training (trains displaced worked for a new career).

Costs: The total cost of all claims that expired during the study period was $4.3 billion, 17 percent ($729 million) of which was paid to people with three or more claims. A much higher percentage of employers of workers with repeat episodes were in the highest tax rate class compared to all employers.

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Introduction

When a person collects unemployment benefits over multiple years, his or her employment pattern is characterized as involving *repeat episodes of unemployment*. The goal of this study is to analyze the characteristics of those repeat episodes and determine the effect they have on employers and on the unemployment-insurance system. The study team was charged with examining both the beneficiaries and employers involved in repeat use of the unemployment system.

Background

Unemployment claims and episodes

A person must work at least 680 hours during a specific time-period and meet other requirements to qualify for unemployment benefits. Each claim lasts 52 weeks (*benefit year*[1]), during which a person may have one or more episodes of unemployment.

The amount a person can receive in benefits – both the weekly amount and the potential maximum over the course of the 52-week benefit year – is calculated[2] based on how much he or she earned during the *base year*[3] of the claim. The number of weeks for which a person collects unemployment during a claim is referred to as *weeks paid*.

By law, a person can collect full weekly benefit for up to 26 weeks during each claim[4]. However, if a person works part-time while collecting benefits, his or her weekly benefits will be reduced[5] and he or she may be eligible to collect for more than 26 weeks, as long as the total payout does not exceed the maximum available for the year.

If the benefit year ends and a person has not collected the maximum amount available for that year, he or she cannot collect the remaining balance and must file a new claim to receive benefits. If a person collects all of the money available for the benefit year, he or she must wait until the claim ends to file another Washington claim[6].

To qualify for another Washington claim, the person must meet the 680-hour work requirement using the new base year and also must have worked and earned a minimum amount since the first episode of unemployment on the previous claim. This means that only individuals who return to work qualify for payment across multiple benefit years.

[1] Each claim lasts 52 weeks from the week that it is filed. RCW 50.04.030
[2] RCW 50.20.120
[3] The base year is usually the first four of the last five completed calendar quarters before the benefit year of the claim. For example, most claims filed in February of 2004 use October 2002 through September 2003 as the base year. Hours and wages in the incomplete, then-current quarter (January-March 2004) and the most recent completed quarter (October-December 2003) were not used in benefit determinations on most claims filed between January and March 2004. RCW 50.04.020
[4] Prior to April 2004, the law allowed up to 30 weeks.
[5] Beneficiaries may receive a reduced unemployment payment when they earn less than one and one-third times their weekly benefit amount plus five dollars (per RCW 50.04.310).
[6] During periods of high unemployment, a federal or state extension may be available.

It is not uncommon for individuals to experience the need for unemployment in two benefit years for various reasons, especially during recessionary periods[7]. Therefore, for the purpose of this study, only people with three or more claims were defined as having *repeat episodes of unemployment*.

Employer tax rates

The Employment Security Department usually charges base-year employers for the benefits paid to their workers[8]. Taxable employers are assigned tax rates based, in part, on the amount of charges to their accounts over a four-year period. Reimbursable employers[9] pay dollar-for-dollar all benefits paid to their workers.

Purpose of this study

In 2006, the state Legislature passed Engrossed Substitute Senate Bill 6885, which directed Employment Security to conduct four studies and report its findings by December 1, 2006. This is one of those four studies. It answers the questions:

- What is the magnitude of the issue: how many people are affected?
- What is the average length of claims involved in repeat episodes?
- What are the characteristics of claimants who have repeat episodes of unemployment?
- What are the characteristics of employers whose workers have repeat episodes?
- Are there mitigating factors that can be attributed to the incidents of repeat episodes?
- What are the costs of repeat episodes of unemployment?

Findings

Magnitude of repeat episodes of unemployment

The first question the study answers is: How many people – both workers and employers - are affected by repeat episodes of unemployment? The focus of this study is people who collected unemployment benefits (beneficiaries[10]) and their employers.

Measuring magnitude over time is a complex task and there are many ways to study it, each of which provides different and valid information. In describing how many people and employers are involved in repeat episodes of unemployment, the study team found that people who collect unemployment show patterns of use that are similar to other activities. For example, consider a typical health maintenance organization (HMO). Over an extended period, most users of the HMO will use the system infrequently, going in for annual check-ups and minor services. But at any point in time, a look at the users of the HMO's services will include far more individuals with more serious problems who use the system regularly. In addition, usage by these individuals will vary over time, affected by many factors, such as the time of year, whether there is an outbreak of disease. The same pattern applies

[7] According to the National Bureau of Economic Research, the recession lasted from March 2001 through November 2001. In Washington State, the end of the recession is much less clear since employment figures continued to decline well beyond November 2001. In fact, the seasonally adjusted total unemployment rate in Washington remained above 7 percent through the end of 2003.

[8] RCW 50.29.021 specifies numerous situations in which employers are not "charged" for benefits paid to their workers.

[9] Eligible businesses include state, county and local government; public schools; some tribal entities; and non-profit organizations with 501(c)(3) status. RCW 50.44.010, 50.44.020, 50.44.030, 50.44.060 and 50.50.030

[10] Only claimants who were paid regular benefits, not extensions, were studied.

to unemployment beneficiaries, which led the study team to examine magnitude using the two methods described below.

All claims in the study period

The first method examines all beneficiaries and claims during the four-and-a-half-year period of January 1, 2002 through June 30, 2006. The majority of analysis in this report is based on this group.

Almost 736,850 people started unemployment-insurance claims in Washington[11] between January 2002 and June 2006, based on a total of 1,060,884 benefit years[12]. Of that total, 89 percent filed one or two claims[13]. The other 11 percent filed between three and five claims. When the study window closed in June 2006, some of the benefit years had expired; others were still open (had not expired).

Beneficiaries who filed a claim from Jan. 2002 through June 2006		
# of claims	# of beneficiaries	% of beneficiaries
1	526,370	71.4
2	132,084	17.9
3	47,569	6.5
4	26,461	3.6
5	4,359	0.6
TOTAL	736,843	100.0

Figure 1

When examining magnitude from this perspective, it is important to note that the year each person first started a claim affected the number of claims they could have subsequently filed[14]. For example, a person who filed for the first time in 2005 could not have repeat episodes (three or more claims) for the purposes of this study.

Claims at a point in time

The second method examines claims as a snapshot in time, looking both forward and backward.

First, the study team looked at beneficiaries who started a claim in 2002 and followed their claim activity forward through June 30, 2006. Slightly more than 302,430 people filed their first claim in 2002. Almost 79 percent of those people went on to file one or two claims by June 30, 2006 and just over 21 percent had three or more claims in the four-and-a-half-year period.[15]

Claim activity of beneficiaries who started a claim in 2002		
# of claims	# of beneficiaries	% of beneficiaries
1	167,303	55.3
2	71,425	23.6
3	34,410	11.4
4	24,935	8.2
5	4,359	1.4
TOTAL	302,432	100.0

Figure 2

[11] Claims for which Washington is the state responsible for paying benefits.
[12] The term *benefit year* is used interchangeably with the term *claim* in this study. See *Background* for more information.
[13] Some of these individuals with one or two claims may have more claims either before or after the study period.
[14] See Appendix A, Figure 8 for details.
[15] See Appendix A, Figure 8 for details on claims that started in 2002 through 2006.

Then, the study team looked at the period in reverse: they took everyone who had an open claim[16] on June 30, 2006 and followed their claim activity backward to January 1, 2002. Almost 171,350 people had open claims on June 30, 2006. Just over 70 percent had filed one or two claims since January 2002 and almost 30 percent had filed three or more claims in the four-and-a-half-year period[17].

Claim activity of beneficiaries who had an open claim on June 30, 2006		
# of claims	# of beneficiaries	% of beneficiaries
1	81,662	47.7
2	38,551	22.5
3	23,644	13.8
4	23,131	13.5
5	4,359	2.5
TOTAL	171,347	100.0

Figure 3

Examining magnitude from this perspective reflects the economic conditions during the study period. For instance, in 2002 the economy was struggling and it was hard to find work, so the number of beneficiaries was higher than it was in 2006 when the economy had recovered. The number of people with one or two claims who started a claim in 2002 was almost twice as high as the number with one or two claims who had an open claim at the end of the study period.

Employers involved in repeat episodes

During the study period, nearly 297,000 employers reported wages. Unemployment claims during that period were based on work and earnings from more than 144,000 base-year[18] employers. The study team identified 105,066 distinct *primary base employers*[19]. Beneficiaries with repeat episodes had 29,848 primary base employers - 20.7 percent of *all* base year employers and 28.4 percent of all *primary* base employers.

Beneficiaries during the study period worked for an average of two employers during the base year of each claim[20]. A closer look shows that more than 70 percent of people with repeat episodes worked for the same one or two primary base employers[21], indicating that they repeatedly returned to work for the same employers after episodes of unemployment.

Beneficiaries with same one or two primary base employers on three or more claims between Jan. 2002 and June 2006			
# of claims	# of beneficiaries	# of beneficiaries with same one or two primary base employers	% across
3	47,569	35,441	74.5
4	26,461	17,366	65.6
5	4,359	3,017	69.2
TOTAL	78,389	55,824	71.2

Figure 4

[16] Claims that had not expired by July 1, 2006
[17] See Appendix A, Figure 9 for details on open claims.
[18] See *Background* section for details on *base year.*
[19] Primary base employer: The employer on each claim that paid the worker the greatest amount of wages in the base year.
[20] See Appendix B, Figure 10 for details on average number of base-year employers.
[21] See Appendix B, Figure 11 for details on different primary base employers.

Average length of claims involved in repeat episodes

Beneficiaries with three or four expired claims[22] drew between 13 and 16.5 weeks of benefits, on average – some at the full weekly benefit amount; some at a reduced amount[23]. Those with one or two claims drew more – between 14.5 and 17.3 weeks, on average. Beneficiaries with multiple claims usually had fewer weeks paid on each subsequent claim.

Average number of weeks paid in expired benefit years						
Expired benefit years	# of workers	Average weeks paid on expired benefit years				% of benefits used
		Claim 1	Claim 2	Claim 3	Claim 4	
1	484,285	17.3				59
2	117,491	16.9	14.5			55
3	47,227	15.8	14.9	13.0		53
4	8,209	16.4	16.5	15.2	13.5	56

Figure 5

Beneficiaries with more than one claim used, on average, a lower percentage[24] of the total benefits available[25] to them than those with only one claim. Beneficiaries with repeat episodes collected on average between 53 and 56 percent of the potential total available to them, compared to between 55 and 59 percent of those with one or two claims.

Approximately 35.5 percent of beneficiaries – both those with and without repeat episodes – exhausted at least one of their claims[26] during the study period[27]. However, only about 3 percent of those with repeat episodes exhausted every benefit year they completed[28], compared to 30 percent of those with only one or two claims.

Characteristics of beneficiaries with repeat episodes[29]

There are many aspects to consider when defining characteristics of people who had multiple episodes of unemployment. For the purposes of this study, the study team focused on two key areas: employment patterns and demographics.

Employment patterns include the types of jobs people had before they filed for benefits, where they worked and whether they belonged to a referral union. Almost 70 percent of the beneficiaries who filed three or more claims during the study period, compared to approximately 34 percent of those with one or two claims, were concentrated in four occupational groups[30]:

- Construction and extraction (27 percent of those with three or more claims vs. 11 percent of people who filed one or two claims)
- Farming, fishing and forestry (15 percent vs. 3 percent)
- Transportation and material moving (14 percent vs. 8 percent)
- Production (14 percent vs. 12 percent)

[22] Claims with benefit years that ended on or before July 1, 2006 (four is the maximum possible during the study period)
[23] See Background section of this report for an explanation of *weeks paid*.
[24] Percent of benefits used is calculated by dividing the total payments by the maximum benefit amount (maximum amount a beneficiary can receive during the benefit year of a claim).
[25] See Appendix C, Figure 12 for details on total benefits available.
[26] *Exhausted*: Collected the entire maximum benefits available for the benefit year.
[27] See Appendix C, Figures 13 for details on benefits exhausted.
[28] Claims with benefit years that ended on or before July 1, 2006 (four is the maximum possible during the study period)
[29] See Appendix C for details on characteristics of beneficiaries.
[30] See Appendix D, Figure 14 for occupational distributions.

Beneficiaries with repeat episodes of unemployment lived in Eastern Washington and in rural counties to a greater degree than did those with only one or two claims. Although only 25 percent of beneficiaries with one or two claims lived in Eastern Washington, 45 percent of beneficiaries with repeat episodes lived there. Only 8 percent of beneficiaries from Western Washington, but 18 percent from Eastern Washington, experienced repeat episodes. In both Eastern and Western Washington, a greater percentage of people with three or more claims lived in rural counties[31].

Workers who are members of recognized referral unions are sent out on jobs when the union is contacted by an employer for workers in that union with the necessary skills. Almost 22 percent of beneficiaries with repeat episodes were referral union members on every claim they had during the study period. About 6 percent of those with only one or two claims belonged to referral unions[32].

The study team also examined personal characteristics of beneficiaries. In terms of demographics, people with repeat episodes of unemployment are disproportionately male – men made up 74 percent of those with three or more claims compared to 60 percent of beneficiaries with one or two claims during the study period. For both men and women, a higher percentage of beneficiaries with repeat episodes are between the ages of 35 and 54 than those with only one or two claims (58 percent vs. 49 percent)[33]. People with repeat episodes are also disproportionately less educated and Hispanic. Almost 25 percent had not graduated from high school or earned their GEDs vs. 11 percent of those with one or two claims[34]. Also, 23 percent of those with repeat episodes are Hispanic versus only 8 percent of those with one or two claims[35].

Characteristics of employers involved in repeat episodes

Employers in 20 industry sectors employed almost 75 percent of the total number beneficiaries with repeat episodes of unemployment[36]. The following five industries, all of which have regular and large annual fluctuations in employment, employed 47 percent of those with at least three claims, but only 15 percent of those with one or two claims:

- Specialty trade contractors[37]
- Food manufacturing[38]
- Crop production[39]
- Heavy and civil engineering construction[40]
- Construction of buildings[41]

[31] See Appendix D, Figure 15 for geographical distributions.
[32] See Appendix D, Figure 16 for details on referral union members.
[33] See Appendix D, Figure 17 for age and gender distributions.
[34] See Appendix D, Figure 18 for educational distributions.
[35] See Appendix D, Figure 19 for ethnicity distributions.
[36] See Appendix E, Figure 20 for details on industries.
[37] This industry includes foundation contractors, electricians, roofing companies, etc.
[38] This industry includes companies that process food, such as fish and fruit canneries.
[39] This industry includes agricultural growers.
[40] This industry includes companies that build highways, dams and other major infrastructure projects.
[41] This industry includes companies that build commercial properties and homes.

Other characteristics are included throughout the *Findings* section of this report. Employers that place workers on standby and use the Shared Work program are discussed under *Mitigating factors involved in repeat episodes* below. The tax category and rate class of employers involved in repeat episodes are discussed on page 9.

Mitigating factors involved in repeat episodes

Most people who collect unemployment benefits are required to look for work[42]. Exceptions to this rule include people who are on standby or who participate in shared work or commissioner-approved training. Some beneficiaries may have been in more than one of these groups during either the same or different benefit years. Therefore, the numbers cannot be added.

Standby status

Some people are placed on *standby* by their employers because the layoff is temporary and the employer has specified a date that the person will be called back to work. The standby provision allows employers to maintain their workforce through temporary layoffs[43]. For example, a manufacturing company may close down for two weeks to clean its equipment and place its workers on standby so that they can collect unemployment benefits for the two weeks that they cannot work.

Roughly 19,000 employers placed their workers on standby during the study period. Employers in the following industries were most likely to use the standby provision[44]:

- Specialty trade contractors
- Heavy and civil engineering construction
- Crop production
- Forestry and logging
- Construction of buildings

Approximately 68,000 people were on standby at least once during the study period; more than 24,000 of those had three or more claims[45]. Almost 28 percent of people with three claims and 38 percent of those with five claims were on standby at least once.

Shared work

Employers can use the Shared Work program to avoid layoffs during unanticipated temporary economic downturns[46]. There were 938 employers, with 14,609 of their workers, who participated in a Shared Work plan at least once during the study period[47]. Less than 10 percent of these workers had three or more claims during the study period.

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[42] RCW 50.20.010

[43] People are usually allowed standby status for up to four weeks a year. An extension of up to four more weeks (eight total in a benefit year) may be granted, but must be requested by the employer and pre-approved by the department. WAC 192-110-015

[44] See Appendix F, Figure 21 for details on industries of employers that use standby.

[45] See Appendix F, Figure 22 for details on beneficiaries on standby.

[46] With Shared Work, employers reduce the number of hours their employees work by 10 to 50 percent, while the employees collect a corresponding percentage of unemployment benefits. See more information at http://www.leg.wa.gov/pub/billinfo/2005-06/Pdf/Bills/Senate%20Passed%20Legislature/6885-S.PL.pdf .

[47] See Appendix F, Figure 23 for details on beneficiaries in Shared Work plans.

Roughly 2 percent of beneficiaries in the study period – both those with and without repeat episodes – participated in Shared Work plans during at least one claim. However, only 0.5 percent of those with repeat episodes were in Shared Work plans at some time during every benefit year they had, compared to 1.7 percent of those with only one or two claims.

Commissioner approved training

Some workers, including those in declining occupations, need to be retrained in a new job to return to work. To qualify for unemployment while training for a new career, the person must first be approved by the department for *commissioner-approved training*.

Between 2 and 3 percent of all beneficiaries in the study group were in commissioner-approved training during at least one claim[48]. However, only 0.2 percent of those with repeat episodes were in commissioner-approved training at some time during every benefit year they completed[49], compared to 2.4 percent of those with only one or two claims.

Costs of repeat episodes

In considering costs, the study team included only claims that ended on or before July 1, 2006, because total costs cannot be determined for claims that are still open. Because this section looks only at expired claims, the maximum number of benefits years is four rather than five. The total amount of benefits paid on all expired claims was approximately $4.3 billion[50]. Of that, almost $729 million was paid to people with three or four claims. This means that people with at least three expired claims accounted for about 8 percent of beneficiaries, filed about 20 percent of all expired claims and received about 17 percent of the total amount paid[51].

Cost of claims from Jan. 2002 through June 2006		
# of expired claims	**# of beneficiaries**	**Total benefits paid**
1	484,285	$2,493,363,574
2	117,491	$1,028,305,851
3	47,227	$592,131,419
4	8,209	$136,678,577
Total	657,212	$4,250,479,421

Figure 6

[48] See Appendix F, Figure 24 for details on beneficiaries in commissioner-approved training.
[49] Claims with benefit years that ended on or before July 1, 2006 (four is the maximum possible during the study period)
[50] Regular unemployment compensation only; not including any extensions
[51] See Appendix G, Figure 25 for details on the amount of benefits paid by number of weeks per episode.

Employers pay these costs

The more than 55,000 beneficiaries who had three or four expired claims worked for roughly 36,000[52] chargeable employers[53]. At the beginning of 2006, more than 26,000 of those employers remained active – almost 90 percent were qualified to be assigned to a tax rate class[54] based on the amount of benefit charges to their accounts; the other 10 percent were either non-qualified[55] or reimbursable employers[56]. About 5,900 employers had gone out of business and another 3,800 were still in business under a successor business' account[57].

The percentages of qualified and reimbursable employers for the study group are much higher than for all employers in 2006, while the percentage of non-qualified was much lower for this group.

Types of employers involved in repeat episodes vs. all employers				
2006 tax category	Employers of beneficiaries with 3-4 claims		All 2006 employers	
	# of employers	% of employers	# of employers	% of employers
Qualified	23,760	89.6	149,331	64.4
Non-qualified	1,488	5.6	80,319	34.7
Reimbursable	1,282	4.8	2,017	0.9
Total	26,530	100.0	231,667	100.0

Figure 7

Qualified employers are assigned to one of 40 tax rate classes based on the total cost of unemployment benefits charged to them in the past four fiscal years[58] compared to their taxable payroll for that same period. The higher the rate class, the higher the tax rate. The tax-rate-class assignments for 2006 are based, for the most part[59], on charges during the study period. Qualified employers of beneficiaries with three or four claims make up almost 46 percent[60] of all the employers in rate class 40 in 2006.

There are dramatic differences in the percentages of employers in rate classes 1 and 40 for employers of beneficiaries with three or four claims versus all employers in 2006[61]. Almost 45 percent of all employers are in rate class 1 in 2006 vs. only 1 percent of the employers in the study. A higher percentage of employers in the study group are in rate classes 4 and above than are all employers. For example, 23 percent of employers in the study are in rate class 40 vs. only eight percent of all employers[62].

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[52] Over 31,500 of these employers also had workers with only one or two expired claims during the study period.

[53] Base year or separating employers who were potentially charged for benefits on those claims. Note that RCW 50.29.021 specifies numerous situations in which employers are not "charged" for benefits paid to their workers.

[54] *Qualified employers*: Businesses with employees over a specific time period that have submitted all reports, and paid all taxes, penalty, and interest charges as of September 30. RCW 50.29.010(6)

[55] *Non-qualified employers* are assigned special tax rates. RCW 50.29.025(2)(c) & (d)

[56] *Reimbursable employers*: Businesses that pay dollar for dollar on all unemployment benefits paid to former employees. Eligible businesses include state, county and local government; public schools; some tribal entities; and non-profit organizations with 501(c)(3) status. RCW 50.44.010, 50.44.020, 50.44.030, 50.44.060 and 50.50.030
Also included as reimbursable employers in this study are federal employers and out-of-state employers, because Washington is reimbursed for charges to those employers by either the federal government or through arrangements with other states.

[57] See the *Employer Turnover* study for more information on inactive employers.

[58] July of one year through June of the following year.

[59] See *Scope* for more information.

[60] Of 12,311 employers in rate class 40 in 2006, 5,627 of them had workers with 3 or 4 expired claims during the study period.

[61] See Appendix G, Figure 26 for numbers and percentages for each rate class.

[62] See the Rate Class 40 study for more information on employers in rate class 40.

In an experience-rated system, it is normal for employers whose workers experience repeat episodes of unemployment to have higher tax rates than employers whose workers are employed more steadily.

Scope

Section 24 of Engrossed Substitute Senate Bill 6885 directed Employment Security to conduct four studies on various elements of the unemployment-insurance system. This study covers the topic of repeat episodes of unemployment. The other three study reports (employers in rate class 40, employer turnover, and corporate officers) are available online at www.studies.go2ui.com. Study reports are due December 1, 2006.

Examining a topic such as repeat episodes of unemployment over a period of time is a complex task for a variety of reasons. To measure the number of beneficiaries and employers, a variety of methods could be used, each of which yields different and valid results. These methods could include looking at all claims filed over a certain time period or looking at only a particular group of beneficiaries and following them over a certain time period - either forward or backward in time.

Measuring characteristics of beneficiaries or employers over time is complicated by the fact that some characteristics can change over the course of that time period. For example, not only will a beneficiary's age change over the course of several years, so can the industry in which the beneficiary works.

For most aspects of this study, the study team considered beneficiaries (those who collected benefits) and base-year employers associated with *all* Washington[63] unemployment insurance claims filed between January 1, 2002 and June 30, 2006. Only claims with benefits paid were studied and only the regular entitlement on those claims; unpaid claims and extensions of benefits were not included.

To most accurately determine the number of weeks paid, amount of benefits paid, and percent of benefits used, benefit-payment data include payments made only on claims during the study period that were most likely to have had final payments issued – those that expired[64] on or before July 1, 2006.

Beneficiaries with three or more claims were defined as having *repeat episodes of unemployment*; those with only one or two claims were defined as *not* having *repeat episodes.*

The study team usually compared beneficiaries with and without repeat episodes (those with one or two claims versus those with three or more claims) and their base-year employers. When applicable and feasible, comparisons were made to all beneficiaries and employers during the study period.

For characteristics of beneficiaries, the study team used the occupation, county of residence, age, gender and ethnicity on record at the time of the first claim and education at the time of the last claim filed during the study period. Occupational data were limited to the two-digit level of occupational groups in the Standard Occupational Classification (SOC) System.

[63] Claims for which Washington is the state responsible for paying benefits.
[64] Benefit year of the claim had ended.

For characteristics of employers, the study team focused on the industries of the primary base-year employer (employer that paid the greatest amount of wages) on each beneficiary's first claim and the employers that placed workers on standby. Due to time constraints and data complexity, the study team was unable to fully examine other employers involved in the study-period claims, including other base-year employers and employers that beneficiaries worked for during the benefit year. Industry data were provided at the three-digit level of the North American Industry Classification System (NAICS).

To most accurately assess the impact of benefit payments on employer taxes, tax rate-class assignments for 2006 were examined[65]. Tax-rate-class assignments for 2006 are based on benefit charges from July 2001 through June 2005. Although assignments for 2007 might be a better indicator because the period they are based on (July 2002 through June 2006) includes more of the study period, they are not yet available. Employers on study-period claims that were inactive by 2006 did not have tax rate assignments; the tax rate classes of any successors of those employers were not examined.

Conclusions

Beneficiaries with repeat episodes

It is not uncommon for individuals to experience the need for unemployment in two benefit years for various reasons, especially during recessionary periods. For the purpose of this study, only people with three or more claims were defined as having *repeat episodes of unemployment*.

Approximately 89 percent of the beneficiaries over the four-and-a-half-year study period filed only one or two claims.

The 11 percent of beneficiaries during the study period who experienced repeat episodes of unemployment worked, on average, for more than two employers from year to year. More than 70 percent of beneficiaries with repeat episodes worked *primarily* for the same one or two employers across all the base years of their study-period claims.

Beneficiaries with repeat episodes collected, on average, fewer weeks and a smaller percentage of benefits available on each claim than those without repeat episodes.

Compared to beneficiaries without repeat episodes, beneficiaries with three or more claims are:

- More likely to live in Eastern Washington (45 percent vs. 25 percent).
- More likely to live in rural counties (63 percent vs. 58 percent in the east and 27 percent vs. 17 percent in the west).
- More likely to be referral union members (22 percent vs. 6 percent).
- More likely to be men (74 percent vs. 60 percent).
- More likely to be between the ages of 35 and 54 (58 percent vs. 49 percent).

[65] Employers who were assigned to a rate class based on a predecessor business' charges are considered to be non-qualified employers until they become qualified based on their own charges.

- Less educated (25 percent had not graduated from high school or earned their GEDs vs. 11 percent).
- More likely to be Hispanic (23 percent vs. 8 percent) and less likely to belong to most other ethnic groups.

Employers of workers with repeat episodes

Although beneficiaries with repeat episodes were only 11 percent of all study-period beneficiaries, their primary employers represent 21 percent of all base-year employers on the study-period claims. Almost half of the primary employers of workers with repeat episodes were in five industries: specialty trade contractors; food manufacturing; crop production; heavy and civil engineering; and building construction. Employers in these industries also represented almost half of the employers who requested standby status for beneficiaries with repeat episodes.

As would be expected in an experience-rated tax system, employers whose workers experience repeat episodes of unemployment bear more of the costs of the system than employers whose workers are employed more steadily. In 2006, approximately 23 percent of employers involved in repeat episodes were in the highest tax rate class and about one percent in the lowest rate class. This compares to about eight percent in the highest rate class and 45 percent in the lowest rate class for all employers in 2006.

Appendices

Mandate for this study

2006 Legislative Session; ESSB 6885, Section 24:

> The employment security department shall study the following and report its findings and recommendations, if any, to the unemployment insurance advisory committee and to the house of representatives commerce and labor committee and the senate labor, commerce, research, and development committee, or their successor committees, by December 1, 2006:
>
> (1) Employment patterns involving repeat episodes of unemployment to achieve improved employer retention rates, improved claimant placement rates, and increased employment opportunities;

Internet resources

Engrossed Substitute Senate Bill 6885 (ESSB 6885):
http://www.leg.wa.gov/pub/billinfo/2005-06/Pdf/Bills/Senate%20Passed%20Legislature/6885-S.PL.pdf

Shared Work Program:
http://fortress.wa.gov/esd/portal/unemployment/taxes/sharedwork/index.htm/view?searchterm=shared%20work

Standard Occupational Classification (SOC) System:
http://www.bls.gov/soc

North American Industry Classification System (NAICS)
http://www.census.gov/epcd/naics02

Study team

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See following pages for Appendices A – G

Appendix A – Magnitude of beneficiaries with repeat episodes

All beneficiaries sorted by year of first claim during the study period

Benefit Years	Total	Year Filed First Claim								
		2002		2003		2004		2005		2006
		#	%	#	%	#	%	#	%	
Total	736,843	302,432	100.0	190,074	100.0	114,948	100.0	90,970	100.0	38,419
1	526,370	167,303	55.3	137,823	72.5	95,691	83.2	87,134	95.8	38,419
2	132,084	71,425	23.6	38,780	20.4	18,043	15.7	3,836	4.2	0
3	47,569	34,410	11.4	11,945	6.3	1,214	1.1	0	0.0	0
4	26,461	24,935	8.2	1,526	0.8	0	0.0	0	0.0	0
5	4,359	4,359	1.4	0	0.0	0	0.0	0	0.0	0

Figure 8

Figure 8 explanation

For all beneficiaries in study period, number of beneficiaries broken down by number of claims and year first claim during study period was filed.
Example: 302,432 beneficiaries started their first claim during the study period in 2002. In that same column, 4,359 of those had a total of 5 claims between 2002 and 2006. Because there's only been time for 4 of those 5 claims to expire, all of them had open claims as of 6/30/06. However, in that same column, there were 34,410 that had 3 claims, but you can't tell what year the second and third claims were filed, nor therefore, if they are still open or expired.

Beneficiaries with _open claims_[66] sorted by year of first claim during the study period

Benefit Years	Total	Year Filed First Claim								
		2002		2003		2004		2005		2006
		#	%	#	%	#	%	#	%	
Total	171,347	49,186	100.0	22,280	100.0	14,383	100.0	47,082	100.0	38,416
1	81,662	0	0.0	0	0.0	0	0.0	43,246	91.9	38,416
2	38,551	10,382	21.1	11,164	50.1	13,169	91.6	3,836	8.1	0
3	23,644	12,840	26.1	9,590	43.0	1,214	8.4	0	0.0	0
4	23,131	21,605	43.9	1,526	6.8	0	0.0	0	0.0	0
5	4,359	4,359	8.9	0	0.0	0	0.0	0	0.0	0

Figure 9

Figure 9 explanation

For beneficiaries with open claims as of June 30, 2006, number of beneficiaries broken down by number of claims and year first claim during the study period was filed.
Example: 49,186 beneficiaries who had open claims as of 6/30/06 started their first claim during the study period in 2002. In that same column, 4,359 of those had a total of 5 claims between 2002 and 2006 – the same as the total number of people with 5 claims because in order to have had 5 during the study period, they must have filed one every year. However, in that same column, there were 12,840 that had 3 claims, but you can't tell what year the second claim was filed. The third claim must have been filed after 6/30/05 to still be open on 6/30/06.

[66] Claims that had not expired by July 1, 2006

Appendix B – Magnitude of employers with repeat episodes

Average number of base year employers on each claim by number of benefit years for all beneficiaries during the study period

	Beneficiaries	Base Period 1	Base Period 2	Base Period 3	Base Period 4	Base Period 5
All	736,843					
1	526,370	1.66				
2	132,084	1.87	1.98			
3	47,569	2.10	2.12	2.11		
4	26,461	2.24	2.20	2.16	2.21	
5	4,359	2.15	2.06	1.98	2.02	2.00

Figure 10

Figure 10 explanation

For all beneficiaries in study period, average number of base-year employers on each claim in their series. Example: The 47,569 beneficiaries who had 3 claims worked for an average of 2.12 employers in the base year of their second claim.

Number of different primary base employers across number of claims – number and percent of beneficiaries (percentages total 100% across rows)

# of Benefit Years	1	2	3	4	5	Total
1	526,370 (100.0%)					526,370
2	56,139 (42.5%)	75,945 (57.5%)				132,084
3	16,882 (35.5%)	18,559 (39.0%)	12,128 (25.5%)			47,569
4	12,054 (45.6%)	5,312 (20.1%)	6,882 (26.0%)	2,213 (8.4%)		26,461
5	2,457 (56.4%)	560 (12.8%)	803 (18.4%)	432 (9.9%)	107 (2.5%)	4,359

Figure 11

Figure 11 explanation

For all beneficiaries in study period, the ***primary*** base-year employers on each claim were compared to the other claims and then the number of distinct employers was totaled across the claims. This table shows how many people had the same ***primary*** base-year employer on all their claims in the "1" column. The number of beneficiaries with a total of 3 different ***primary*** base-year employers across all their claims are in the "3" column. Percentages are of the total at the right side of each row.
Example: Of those who filed 3 claims:

- 16,882 had the same primary base-year employer on all 3 claims (35.5% of those with 3 claims);
- 18,559 had 2 primary base-year employers – one claim had a different primary base-year employer than the other two claims had (39% of those with 3 claims); and
- 12,128 had a different primary base-year employer on each claim (3 claims, 3 different primary base-year employers) (25.5% of those with 3 claims).

Appendix C – Average length of claim

Number of weeks of full benefits available for beneficiaries who filed a claim from Jan. 2002 through June 2006						
Benefit Years	**Number of Workers**	**Average Potential Duration in Weeks for Benefit Years 1 through 5**				
		Claim 1	Claim 2	Claim 3	Claim 4	Claim 5
1	526,370	26.5				
2	132,084	26.5	25.2			
3	47,569	26.1	25.8	25.1		
4	26,461	25.6	25.7	26.0	24.8	
5	4,359	24.8	24.8	26.8	25.5	24.6

Figure 12

Figure 12 explanation

For all beneficiaries in study period, average number of full weeks' worth of benefits available on each claim (aka *potential duration*); broken down by number of claims started (rows) and each claim in the series (columns). It is calculated by dividing the maximum benefit amount by the weekly benefit amount.
Example: Beneficiaries of 3 claims had an average of 25.8 weeks' worth of full benefits available to them during the benefit year of their second claim.

Beneficiaries with expired claims who exhausted benefits												
# of expired benefit years	**Number with exhausted claims**						**Percent with exhausted claims**					
	# of benefit years exhausted					**Row total**	**# of benefit years exhausted**					**Row total**
	0	**1**	**2**	**3**	**4**		**0**	**1**	**2**	**3**	**4**	
1	318,455	165,830				484,285	65.8	34.2				100.0
2	69,527	35,608	12,356			117,491	59.2	30.3	10.5			100.0
3	30,373	10,029	5,253	1,572		47,227	64.3	21.3	11.1	3.3		100.0
4	5,321	1,364	8,86	433	205	8,209	64.8	16.6	10.8	5.3	2.5	100.0
Column total	**423,676**	**212,831**	**18,495**	**2,005**	**205**	**657,212**						

Figure 13

Figure 13 explanation

Number and percent of beneficiaries with exhausted, expired claims (open claims not included); broken down by number of claims and number of claims exhausted.

Example: 5,253 beneficiaries with 3 claims exhausted 2 of their claims; this is 11.1% of those with 3 claims. 1,572 (3.3%) beneficiaries with 3 claims exhausted all 3 of their claims.

Appendix D – Characteristics of beneficiaries[67]

Occupation[68] of beneficiaries by number of benefit years started								
Occupational title	Number of beneficiaries			Percent across		Percent down		
	All	1 or 2 benefit years	3 or more benefit years	1 or 2 benefit years	3 or more benefit years	All	1 or 2 benefit years	3 or more benefit years
All	**736,843**	**658,454**	**78,389**	**89.4**	**10.6**	**100.0**	**100.0**	**100.0**
Construction and Extraction	93,793	73,046	20,747	77.9	22.1	12.7	11.1	26.5
Farming, Fishing, and Forestry	28,189	16,657	11,532	59.1	40.9	3.8	2.5	14.7
Transportation and Material Moving	59,985	49,287	10,698	82.2	17.8	8.1	7.5	13.6
Production	87,281	76,594	10,687	87.8	12.2	11.8	11.6	13.6
Office and Administrative Support	92,629	88,926	3,703	96.0	4.0	12.6	13.5	4.7
Installation, Maintenance, and Repair	36,665	33,656	3,009	91.8	8.2	5.0	5.1	3.8
Management	70,212	67,550	2,662	96.2	3.8	9.5	10.3	3.4
Food Preparation and Serving Related	33,710	31,528	2,182	93.5	6.5	4.6	4.8	2.8
Building & Grounds Cleaning & Maintenance	17,628	15,637	1,991	88.7	11.3	2.4	2.4	2.5
Sales and Related	57,145	55,181	1,964	96.6	3.4	7.8	8.4	2.5
All Other Occupational Titles	159,606	150,392	9,214	94.2	5.8	21.7	22.8	11.8

Figure 14

Figure 14 explanation

Occupation of all beneficiaries in study period – for beneficiaries without and with repeat episodes (1-2 claims vs. 3+). Percentages shown both within occupations (% across) and within number of claims (% down). Example: 20,747 beneficiaries with 3 or more claims were in construction and extraction occupations. This represents 22.1% of all beneficiaries in construction and extractions occupations and 26.5% of beneficiaries with 3 or more claims.

[67] Characteristics, except for education, on record at time of first claim filed during the study period; education from last claim filed.

[68] The Standard Occupational Code classifies nearly 800 occupations into six digit codes. This table summarizes the occupations of the claimants in this study into a few of the 23 "two-digit" occupational groups. For more information, see http://www.bls.gov/soc/ .

Location of beneficiaries by number of benefit years started								
Location	Number of beneficiaries			Percent across		Percent down		
	All	1 or 2 benefit years	3 or more benefit years	1 or 2 benefit years	3 or more benefit years	All	1 or 2 benefit years	3 or more benefit years
Total	736,843	658,454	78,389	89.4	10.6	100.0	100.0	100.0
East	198,350	162,928	35,422	82.1	17.9	26.9	24.7	45.2
West	538,493	495,526	42,967	92.0	8.0	73.1	75.3	54.8
East	198,350	162,928	35,422	82.1	17.9	100.0	100.0	100.0
Rural	116,632	94,432	22,200	81.0	19.0	58.8	58.0	62.7
Urban	81,718	68,496	13,222	83.8	16.2	41.2	42.0	37.3
West	538,493	495,526	42,967	92.0	8.0	100.0	100.0	100.0
Rural	97,160	85,410	11,750	87.9	12.1	18.0	17.2	27.3
Urban	441,333	410,116	31,217	92.9	7.1	82.0	82.8	72.7

Figure 15

Figure 15 explanation

For all beneficiaries in study period, characteristic of county of residence – broken down by east/west WA and then urban/rural. Number of beneficiaries without and with repeat episodes (1-2 claims vs. 3+) compared. Percentages shown both across number of claims (percent across) and within number of claims (percent down). Example: 35,422 beneficiaries with 3 or more claims lived in eastern Washington. This represents 17.9% of all beneficiaries that lived in eastern Washington and 45.2% of beneficiaries with 3+ claims. Of those 35,422 beneficiaries, 22,200 lived in rural counties. This represents 19.0% of all beneficiaries that lived in rural eastern Washington and 62.7% of eastern Washington beneficiaries with 3+ claims.

Beneficiaries in referral unions														
# of benefit years	Number in referral unions							Percent in referral unions						
	# of benefit years in referral unions						Row total	# of benefit years in referral unions						Row total
	0	1	2	3	4	5		0	1	2	3	4	5	
1	502,407	23,963					526,370	95.4	4.6					100.0
2	113,341	4,870	13,873				132,084	85.8	3.7	10.5				100.0
3	33,543	1,485	2,306	10,235			47,569	70.5	3.1	4.8	21.5			100.0
4	17,670	473	609	1,223	6,486		26,461	66.8	1.8	2.3	4.6	24.5		100.0
5	3,266	56	59	52	108	818	4,359	74.9	1.3	1.4	1.2	2.5	18.8	100.0
Column total	**670,227**	**30,847**	**16,847**	**11,510**	**6,594**	**818**	**736,843**							

Figure 16

Figure 16 explanation

Number and percent of beneficiaries in referral unions; broken down by number of claims during study period and number of claims in union status.
Example: 59 beneficiaries with 5 claims were in referral unions on only 2 of their claims; this is 1.4% of those with 5 claims. 818 (18.8%) beneficiaries with 5 claims were in referral unions all 5 of their claims.

[69] Characteristics, except for education, on record at time of first claim filed during the study period; education from last claim filed.

Age and gender of beneficiaries by number of benefit years started										
Age	All beneficiaries		Men				Women			
			1 or 2 benefit years		3 or more benefit years		1 or 2 benefit years		3 or more benefit years	
	#	%	#	%	#	%	#	%	#	%
All	**736,774**	**100.0**	**394,016**	**100.0**	**57,866**	**100.0**	**264,371**	**100.0**	**20,521**	**100.0**
Under 20	3,056	0.4	1,569	0.4	149	0.3	1,277	0.5	61	0.3
20 to 24	73,959	10.0	41,269	10.5	4,080	7.1	27,427	10.4	1,183	5.8
25 to 29	96,732	13.1	54,185	13.8	6,061	10.5	34,718	13.1	1,768	8.6
30 to 34	96,274	13.1	52,748	13.4	7,385	12.8	33,625	12.7	2,516	12.3
35 to 44	199,442	27.1	106,051	26.9	17,619	30.4	69,214	26.2	6,558	32.0
45 to 54	169,956	23.1	86,539	22.0	15,771	27.3	61,988	23.4	5,658	27.6
55 to 64	83,875	11.4	44,423	11.3	5,950	10.3	31,111	11.8	2,391	11.7
65 +	13,480	1.8	7,232	1.8	851	1.5	5,011	1.9	386	1.9

Note: There were 69 individuals whose age was not available.

Figure 17

Figure 17 explanation

Age and gender of all beneficiaries in study period) – for beneficiaries without and with repeat episodes (1-2 claims vs. 3+). Numbers and percentages shown.

Example: 17,619 men between the ages of 35 and 44 had 3 or more claims. This represents 30.4% of the men with 3+ claims.

Education of beneficiaries by number of benefit years started						
Education	All beneficiaries		1 or 2 benefit years		3 or more benefit years	
	#	%	#	%	#	%
All	**736,843**	**100.0**	**658,454**	**100.0**	**78,389**	**100.0**
No Formal Education	8,826	1.2	5,242	0.8	3,584	4.6
Less Than High School	80,127	10.9	64,278	9.8	15,849	20.2
High School or GED	295,929	40.2	262,458	39.9	33,471	42.7
Some College	198,642	27.0	183,775	27.9	14,867	19.0
College Degree	153,093	20.8	142,539	21.6	10,554	13.5
Not Available	226	0.0	162	0.0	64	0.1

Figure 18

Figure 18 explanation

Educational level of all beneficiaries in study period – for beneficiaries without and with repeat episodes (1-2 claims vs. 3+). Numbers and percentages shown.

Example: 10,554 beneficiaries with 3 or more claims had a college degree. This represents 13.5% of the all beneficiaries with 3+ claims.

[70] Characteristics, except for education, on record at time of first claim filed during the study period; education from last claim filed.

Ethnicity of beneficiaries by number of benefit years started						
Ethnicity	**All beneficiaries**		**1 or 2 benefit years**		**3 or more benefit years**	
	#	%	#	%	#	%
All	**736,843**	**100.0**	**658,454**	**100.0**	**78,389**	**100.0**
Native American	15,658	2.1	13,905	2.1	1,753	2.2
Asian or Pacific Islander	42,209	5.7	39,152	5.9	3,057	3.9
Black Not Hispanic	34,124	4.6	31,902	4.8	2,222	2.8
Hispanic	67,839	9.2	49,823	7.6	18,016	23.0
White Not Hispanic	546,714	74.2	495,588	75.3	51,126	65.2
Information Not Available	30,299	4.1	28,084	4.3	2,215	2.8

Figure 19

Figure 19 explanation

Ethnicity of all beneficiaries in study period – for beneficiaries without and with repeat episodes (1-2 claims vs. 3+). Numbers and percentages shown.
Example: 18,016 beneficiaries with 3 or more claims were Hispanic. This represents 23.0% of the all beneficiaries with 3+ claims.

[71] Characteristics, except for education, on record at time of first claim filed during the study period; education from last claim filed.

Appendix E – Characteristics of employers

Top 20 Industry Groups[72] Ranked by Number of Workers with Three or More Benefit Years Started									
Industry titles	Seasonality[73]	# of primary base employers	# of beneficiaries	1 or 2 claims	3 or more claims	% across		% down	
						1 or 2 claims	3 or more claims	1 or 2 claims	3 or more claims
Total		**105,066**	**736,843**	**658,454**	**78,389**	**89.4**	**10.6**	**100.0**	**100.0**
Specialty trade contractors	high	10,857	56,461	43,828	12,633	77.6	22.4	6.7	16.1
Food manufacturing	high	659	21,619	14,381	7,238	66.5	33.5	2.2	9.2
Crop production	high	3,173	15,755	9,134	6,621	58	42	1.4	8.4
Heavy and civil engineering construction	high	1,233	16,188	10,300	5,888	63.6	36.4	1.6	7.5
Construction of buildings	high	5,550	24,440	19,782	4,658	80.9	19.1	3	5.9
Administrative and support services	moderate	5,336	46,348	42,507	3,841	91.7	8.3	6.5	4.9
Agriculture and forestry support activities	high	433	6,084	3,788	2,296	62.3	37.7	0.6	2.9
Food services and drinking places	moderate	7,686	34,250	32,452	1,798	94.8	5.2	4.9	2.3
Professional and technical services	not seasonal	7,998	35,077	33,515	1,562	95.5	4.5	5.1	2
Forestry and logging	high	674	4,020	2,512	1,508	62.5	37.5	0.4	1.9
Transportation Equipment Mfg	low	457	27,708	26,242	1,466	94.7	5.3	4	1.9
Social assistance	not seasonal	1,839	13,186	11,826	1,360	89.7	10.3	1.8	1.7
Merchant wholesalers, nondurable goods	moderate	1,777	11,495	10,261	1,234	89.3	10.7	1.6	1.6
Truck transportation	moderate	1,730	8,731	7,716	1,015	88.4	11.6	1.2	1.3
Fishing, hunting and trapping	high	478	2,703	1,750	953	64.7	35.3	0.3	1.2
Wood product manufacturing	low	514	10,495	9,614	881	91.6	8.4	1.5	1.1
General Government Administration	unknown	363	9,370	8,506	864	90.8	9.2	1.3	1.1
Fabricated metal product manufacturing	low	1,027	8,668	7,818	850	90.2	9.8	1.2	1.1
Merchant wholesalers, durable goods	not seasonal	3,994	18,549	17,791	758	95.9	4.1	2.7	1
Motor vehicle and parts dealers	low	1,633	13,330	12,608	722	94.6	5.4	1.9	0.9
All other industries	various	47,655	352,366	332,123	20,243	94.3	5.7	50.4	25.8

Figure 20

Figure 20 explanation

Industries of *primary* base-year employers that employed the "top 20" greatest number of beneficiaries with 3 or more claims during study period; broken down by number and percentage of beneficiaries – for those without and with repeat episodes (1-2 claims vs. 3+ claims). Percentages reflect the split within each industry of "1-2s" and "3+s" (across the row). Also shows degree of seasonality for each industry and the number of primary base-year employers involved in claims during the study period from that industry.
Example: 3,173 employers in crop production, a highly seasonal industry, were the primary base-year employer of 6,621 beneficiaries with repeat episodes, which is 33.5% of beneficiaries with primary base-year employers from that industry and 9.2% of beneficiaries with repeat episodes.

[72] Using three-digit North American Industry Classification System (NAICS) codes.
[73] Seasonality is determined by the relative average fluctuation in employment over a ten year period. Seasonal industries have regular and large annual fluctuations in employment.

Industry[74] and number of employers that placed workers on standby [75]
Ranked by number of workers with three or more benefit years started

Titles	Total	1 or 2 Benefit years Started	3 or More Benefit Years Started	1 or 2 Benefit years Started	3 or More Benefit Years Started	Percent of Total 3 or More
All Industries	**19,143**	**18,242**	**901**	**95.3**	**4.7**	**100.0**
Specialty trade contractors	4,579	4,386	193	95.8	4.2	21.4
Heavy and civil engineering construction	700	610	90	87.1	12.9	10.0
Crop production	1,031	967	64	93.8	6.2	7.1
Forestry and logging	497	437	60	87.9	12.1	6.7
Construction of buildings	1,975	1,917	58	97.1	2.9	6.4
Administrative and support services	1,014	973	41	96.0	4.0	4.6
Food manufacturing	222	184	38	82.9	17.1	4.2
Agriculture and forestry support activities	184	153	31	83.2	16.8	3.4
Truck transportation	644	617	27	95.8	4.2	3.0
Wood product manufacturing	258	238	20	92.2	7.8	2.2
Social assistance	216	197	19	91.2	8.8	2.1
Food services and drinking places	656	637	19	97.1	2.9	2.1
Ambulatory health care services	371	356	15	96.0	4.0	1.7
Amusements, gambling, and recreation	195	181	14	92.8	7.2	1.6
Merchant wholesalers, nondurable goods	217	204	13	94.0	6.0	1.4
Professional and technical services	649	636	13	98.0	2.0	1.4
Motor vehicle and parts dealers	198	187	11	94.4	5.6	1.2
Building material and garden supply stores	225	215	10	95.6	4.4	1.1
Nonmetallic mineral product manufacturing	121	112	9	92.6	7.4	1.0
Fabricated metal product manufacturing	355	346	9	97.5	2.5	1.0

Figure 21

Figure 21 explanation

Employers that requested that workers "stand by" to return to work for them within 4 weeks and not look for other work – both numbers and percentages; broken down by industry within number of claims (1-2 vs. 3+). Also shows degree of seasonality for each industry.

First two columns of percentages reflect row percentage – the split within each industry of "1-2s" and "3+s". Last column reflects column percentage for 3+ claims – the percent of use across industries for each industry.

Example: For Specialty trade contractors, 193 employers used standby for beneficiaries with 3 or more claims. This represents 4.2% of the times that industry used standby, but accounted for 21.4% of standby use across all industries.

[74] Using three-digit North American Industry Classification System (NAICS) codes.
[75] Seasonality is determined by the relative average fluctuation in employment over a ten year period. Seasonal industries have regular and large annual fluctuations in employment.

Beneficiaries on standby														
# of benefit years	Number on standby							Percent on standby						
	# of benefit years with standby						Row total	# of benefit years with standby						Row total
	0	1	2	3	4	5		0	1	2	3	4	5	
1	501,579	24,791					526,370	95.3	4.7					100.0
2	112,856	15,275	3,953				132,084	85.4	11.6	3.0				100.0
3	34,412	8,468	3,325	1,364			47,569	72.3	17.8	7.0	2.9			100.0
4	16,954	5,345	2,255	1,133	774		26,461	64.1	20.2	8.5	4.3	2.9		100.0
5	2,698	916	415	202	88	40	4,359	61.9	21.0	9.5	4.6	2.0	0.9	100.0
Column total	**668,499**	**54,795**	**9,948**	**2,699**	**862**	**40**	**736,843**							

Figure 22

Figure 22 explanation

Number and percent of beneficiaries on standby; broken down by number of claims during study period and number of claims with standby status.
Example: 2,255 beneficiaries with 4 claims were on standby on only 2 of their claims; this is 8.5% of those with 4 claims. 774 (2.9%) beneficiaries with 4 claims were on standby on all 4 of their claims.

Beneficiaries in Shared Work Plans														
# of benefit years	Number in Shared Work							Percent in Shared Work						
	# of benefit years with Shared Work						Row total	# of benefit years with Shared Work						Row total
	0	1	2	3	4	5		0	1	2	3	4	5	
1	517,430	8,940					526,370	98.3	1.7					100.0
2	127,812	2,272	2,000				132,084	96.8	1.7	1.5				100.0
3	46,421	460	363	325			47,569	97.6	1.0	0.8	0.7			100.0
4	26,218	64	65	75	39		26,461	99.1	0.2	0.2	0.3	0.1		100.0
5	4,353	2	4	0	0	0	4,359	99.9	0.0	0.1	0.0	0.0	0.0	100.0
Column total	**722,234**	**11,738**	**2,432**	**400**	**39**	**0**	**736,843**							

Figure 23

Figure 23 explanation

Number and percent of beneficiaries in Shared Work plans; broken down by number of claims during study period and number of claims with Shared Work plans.
Example: 363 beneficiaries with 3 claims participated in Shared Work plans on only 2 of their claims; this is 0.8% of those with 3 claims. 325 (0.7%) beneficiaries with 3 claims were in Shared Work plans on all 3 of their claims.

Beneficiaries in Commissioner-Approved Training (C.A.T.) (for expired claims only)												
# of expired benefit years	Number in C.A.T.						Percent in C.A.T.					
	# of benefit years with C.A.T.					Row total	# of benefit years with C.A.T.					Row total
	0	1	2	3	4		0	1	2	3	4	
1	470,812	13,473				484,285	97.2	2.8				100.0
2	113,293	3,288	910			117,491	96.4	2.8	0.8			100.0
3	45,416	1,105	579	127		47,227	96.2	2.3	1.2	0.3		100.0
4	7,954	129	77	46	3	8,209	96.9	1.6	0.9	0.6	0.0	100.0
Column total	**637,475**	**17,995**	**1,566**	**173**	**3**	**657,212**						

Figure 24

Figure 24 explanation

Number and percent of beneficiaries in commissioner-approved training (expired claims only; open claims not included); broken down by number of claims during study period and number of claims with Shared Work plans.

Example: 579 beneficiaries with 3 claims were in commissioner-approved training on only 2 of their claims; this is 1.2% of those with 3 claims. 127 (0.3%) beneficiaries with 3 claims were in commissioner-approved-training on all 3 of their claims.

Benefits paid per number of weeks in episodes on expired claims						
	Beneficiaries with 1-2 Expired Claims			Beneficiaries with 3-4 Expired Claims		
# of Paid Weeks in Episode	# of Episodes[76]	# of Beneficiaries[77]	Total Benefits Paid for those weeks	# of Episodes	# of Beneficiaries	Total Benefits Paid for those weeks
1	226,830	111,573	$45,009,584	151,987	39,269	$36,645,093
2	114,332	87,417	$51,850,759	79,795	35,311	$41,040,265
3	80,808	69,158	$57,402,044	49,539	29,121	$39,958,871
4	60,094	54,312	$59,456,933	33,900	23,143	$37,473,931
5-6	88,416	83,016	$123,291,262	44,771	34,596	$69,175,771
7-8	68,355	65,675	$133,933,477	31,293	25,752	$67,737,044
9-10	56,033	54,345	$139,378,573	23,828	20,176	$65,973,347
11-13	66,637	65,093	$213,612,321	25,493	22,314	$89,716,811
14-19	110,834	109,515	$488,600,943	29,418	27,018	$138,028,898
20-26	134,738	134,039	$925,981,012	16,421	15,734	$108,227,599
27-52	125,203	125,000	$1,283,152,517	3,751	3,724	$34,832,366
	TOTAL		**$3,521,669,425**	**TOTAL**		**$728,809,996**

Figure 25

Figure 25 explanation

Amount of benefits paid on expired claims – both for those without and with repeat episodes; broken down by number of weeks in the episodes. Number of episodes and beneficiaries also provided.

Example: $39,958,871 was paid for 49,539 three-week episodes that 29,121 beneficiaries with 3-4 expired claims experienced.

Footnotes explain why number of episodes and beneficiaries don't seem to "add up".

[76] Beneficiaries may experience one or more episodes over the course of the benefit year of their claim. Each episode of the same length was counted separately. Therefore, the number of episodes exceeds the number of beneficiaries.

[77] Beneficiaries may experience one or more episodes over the course of the benefit year of their claim. Each beneficiary may be included in more than one episode range, depending on the length of each of their episodes.

Number and Percent of Qualified Employers by Unemployment Tax Rate Class				
2006 Tax Rate Class	**Employers of Beneficiaries with 3-4 Expired Claims**		**All Employers**	
	#	**%**	**#**	**%**
TOTAL	**23,760**	**100.0**	**149,331**	**100.0**
1	322	1.2	66,961	44.8
2	756	3.2	7,379	4.9
3	656	2.8	4,565	3.1
4	729	3.1	4,000	2.7
5	670	2.8	3,500	2.3
6	696	3.0	3,218	2.2
7	739	3.1	3,236	2.2
8	723	3.1	2,912	2.0
9	706	3.0	2,837	1.9
10	656	2.8	2,533	1.7
11	611	2.6	2,297	1.5
12	642	2.7	2,323	1.6
13	583	2.5	2,014	1.3
14	556	2.4	1,919	1.3
15	527	2.3	1,822	1.2
16	480	2.0	1,715	1.1
17	477	2.0	1,585	1.1
18	455	2.0	1,530	1.0
19	443	1.9	1,421	1.0
20	389	1.7	1,313	0.9
21	395	1.6	1,205	0.8
22	375	1.6	1,131	0.8
23	374	1.6	1,068	0.7
24	312	1.3	960	0.6
25	316	1.3	962	0.6
26	307	1.3	916	0.6
27	328	1.4	897	0.6
28	298	1.2	838	0.6
29	262	1.1	729	0.5
30	250	1.0	727	0.5
31	242	1.0	717	0.5
32	441	1.8	1,288	0.9
33	425	1.8	1,171	0.8
34	385	1.6	1,130	0.8
35	359	1.5	937	0.6
36	359	1.5	920	0.6
37	291	1.2	822	0.6
38	317	1.3	792	0.5
39	281	1.2	730	0.5
40	5,627	23.1	12,311	8.2

Figure 26

Figure 26 explanation

Number and percentage of qualified employers in 2006; broken down by rate class.
Example: 5,627 employers of beneficiaries with repeat episodes were qualified to be in rate class 40. This is 23.1% of the qualified employers of those beneficiaries.